

1 ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS

2 In the Matter of the Mortgage Broker License of:

3 **RICHMOND FINANCIAL, INC. AND JEFFREY**  
4 **S. BOLOGNESE, PRESIDENT**  
5 7114 Mountain View Road  
6 Mohave Valley, AZ 86440

7 Respondents.

No. 09F-BD020-BNK

**SUPERINTENDENT'S FINAL  
DECISION AND ORDER**

8 The Superintendent of Financial Institutions (the "Superintendent") having reviewed the  
9 record in this matter, including the Administrative Law Judge Decision attached and incorporated  
10 herein by this reference, adopts the Administrative Law Judge's Findings of Fact, Conclusions of  
11 Law and Order as follows:

12 **ORDER**

13 IT IS ORDERED that Respondents' Mortgage Broker License Number MB 0909430 is  
14 revoked effective as of the date of this Order.

15 **NOTICE**

16 The parties are advised that this Order becomes effective immediately and the provisions of  
17 this Order shall remain effective and enforceable except to the extent that, and until such time as,  
18 any provision of this Order shall have been modified, terminated, suspended, or set aside by the  
19 Superintendent or a court of competent jurisdiction.

20  
21 DATED this 24th day of November, 2008,

22 

23 Felecia Rotellini  
24 Superintendent of Financial Institutions

25 ...

26 ...

1 ORIGINAL filed this 24<sup>th</sup> day of  
Nov, 2008 in the office of:

2 Felecia Rotellini  
3 Superintendent of Financial Institutions  
4 Arizona Department of Financial Institutions  
5 ATTN: June Beckwith  
6 2910 North 44th Street, Suite 310  
7 Phoenix, Arizona 85018

8 COPY of the foregoing mailed/hand delivered  
9 This same date to:

10 Brian Brendan Tully, Administrative Law Judge  
11 Office of Administrative Hearings  
12 1400 West Washington, Suite 101  
13 Phoenix, AZ 85007

14 Liane Kido, Assistant Attorney General  
15 Office of the Attorney General  
16 1275 West Washington  
17 Phoenix, AZ 85007

18 Richard Fergus, Division Manager  
19 Licensing Division  
20 Arizona Department of Financial Institutions  
21 2910 N. 44th Street, Suite 310  
22 Phoenix, AZ 85018

23 AND COPY MAILED SAME DATE by  
24 Certified Mail, Return Receipt Requested, to:

25 Richmond Financial, Inc.  
26 Attn: Jeffrey S. Bolognese, President  
27 7114 Mountain View Road  
28 Mohave Valley, AZ 86440

BY: June Beckwith

1                                   **IN THE OFFICE OF ADMINISTRATIVE HEARINGS**

2  
3 In the Matter of the Mortgage Broker  
4 License of:

**No. 09F-BD020-BNK**

5 RICHMOND FINANCIAL, INC. and  
6 JEFFREY S. BOLOGNESE, PRESIDENT  
7 7114 Mountain View Road  
8 Mohave Valley, AZ 86440

**ADMINISTRATIVE LAW JUDGE  
DECISION**

9  
10  
11                                   Respondents

12                   **HEARING:** October 28, 2008.

13                   **APPEARANCES:** The Arizona Department of Financial Institutions was  
14 represented by Assistant Attorney General Liane Kido. Richmond Financial, Inc. was  
15 represented by its president, Jeffrey S. Bolognese, who appeared telephonically after  
16 the hearing had been commenced.

17                   **ADMINISTRATIVE LAW JUDGE:** Brian Brendan Tully

18  
19                   Based upon the evidence of record, the Administrative Law Judge makes the  
20 following Findings of Fact, Conclusions of Law and Recommended Order:

21  
22                                   **FINDINGS OF FACT**

- 23 1. The Arizona Department of Financial Institutions ("Department") is the authority  
24 for licensing and regulating mortgage brokers in the State of Arizona.
- 25 2. On or about August 7, 2007, the Department issued mortgage broker license  
26 number MB 0909430 to Richmond Financial, Inc. and its president, Jeffrey  
27 Bolognese ("Respondents").
- 28 3. Respondents obtained a bond as a mortgage broker from Contractors Bonding  
29 and Insurance Company, Bond No. AL3922, in the amount of \$15,000.00. The  
30 bond was effective on May 7, 2007.

Office of Administrative Hearings  
1400 West Washington, Suite 101  
Phoenix, Arizona 85007  
(602) 542-9826

- 1 4. On or about May 1, 2008, the Department received a Cancellation Notice from  
2 Contractors Bonding and Insurance Company, which advised that Bond No.  
3 AL3922 issued on May 1, 2008 in the amount of \$15,000.00 would be cancelled  
4 effective June 13, 2008 for nonpayment of the premium.
- 5 5. By letter dated May 14, 2008, the Department's staff advised Respondents that it  
6 had received notice of the impending cancellation of its Bond No. AL3922.  
7 Respondents were directed to provide the Department with documentation that  
8 the bond had been reinstated or Respondents' mortgage broker license would be  
9 revoked. The letter was sent to Respondents at their address of record with the  
10 Department.
- 11 6. The Department's May 14, 2008 letter to Respondents was returned as  
12 undeliverable by the U.S. Postal Service.
- 13 7. On or about September 22, 2008, the Department's Superintendent of Financial  
14 Institutions, Felecia A. Rotellini, issued an Order of Summary Suspension and  
15 Notice of Hearing to Revoke Respondents' mortgage broker license.  
16 Respondents were advised of the time, date and location of the evidentiary  
17 hearing before the Office of Administrative Hearings, an independent agency.
- 18 8. The Superintendent's Order of Summary Suspension and Notice of Hearing to  
19 Revoke were mailed by certified mail to Respondents and Respondents'  
20 statutory agent at their addresses of record with the Department.
- 21 9. On or about September 29, 2008, the Department received the Domestic Return  
22 Receipt for the mailing of the Order of Summary Suspension and Notice of  
23 Hearing from Respondents' statutory agent.
- 24 10. The commencement of the scheduled hearing was delayed 15 minutes to allow  
25 for the late arrival of Respondents or an authorized representative. After the  
26 delay the Administrative Law Judge commenced the hearing in Respondents'  
27 absence. As a preliminary matter, counsel for the Department announced that  
28 Mr. Bolognese had earlier informed her that he just received the Order of  
29 Summary Suspension and Notice of Hearing. Counsel gave Mr. Bolognese the  
30 telephone number of the Office of Administrative Hearings so that he could  
attend the hearing telephonically. Shortly after the convening of the hearing, Mr.

1 Bolognese did call the Office of Administrative Hearings and he was permitted to  
2 participate in the hearing from that point on.

3 11. Respondents failed to maintain the required surety bond while maintaining a  
4 mortgage broker license.

5 12. Mr. Bolognese's testimony that he sent a license cancellation to the Department  
6 in March 2008 is found not to be credible. Mr. Fergus credibly testified that the  
7 Department never has received a license cancellation from Respondents. Mr.  
8 Bolognese's offer at the hearing to submit a license cancellation to the  
9 Department now supports Mr. Fergus' testimony.

10  
11 **CONCLUSIONS OF LAW**

12 1. Pursuant to A.R.S. Title 6, Chapter 9, the Department's Superintendent has the  
13 authority to regulate all persons engaged in the mortgage broker business and  
14 with the enforcement of statutes, rules and regulations relating to mortgage  
15 brokers.

16 2. Pursuant to A.R.S. § 41-1092.07(G)(2), the Department has the burden of proof  
17 in this matter. The standard of proof is preponderance of the evidence. A.A.C.  
18 R2-19-119(A).

19 3. Respondents violated the provisions of A.R.S. § 6-903(G) by failing to maintain  
20 the required surety bond while licensed.

21 4. Pursuant to the provisions of A.R.S. § 6-905(A)(3), the Superintendent may  
22 discipline Respondents for violating the provisions of A.R.S. § 6-903(G).

23 **RECOMMENDED ORDER**

24 Mortgage Broker License No. MB 0909430 issued to Respondents shall be  
25 revoked on the effective date of the Order issued in 09F-BD020-BNK.

26  
27 Done this day, November 13, 2008

28   
29 Brian Brendan Tully  
30 Administrative Law Judge

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2  
3 Original transmitted by mail this  
4 14 day of November, 2008, to:

5  
6 Felecia A. Rotellini, Superintendent  
7 Arizona Department of Financial Institutions  
8 ATTN: Susan Longo  
9 2910 N. 44th Street, Suite 310  
10 Phoenix, AZ 85018

11 By Chris Fishbein  
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